

## Collections

**BLM COLLECTIONS, 2002 - 2005 (\$000)**

<b>Collection Source</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2004 Estimated</b>	<b>2005 Estimated</b>
Sale of Public Lands	98,076	292,518	450,300	1,051,650
Miscellaneous Filing Fees	759	\$708	850	850
Mineral Leasing National Grasslands	1,145	2,124	1,855	1,855
Grazing Fees & Land Utilization Project Lands	12,788	11,828	13,232	13,232
Timber Sales & Vegetative Material	18,101	13,488	28,925	36,605
Recreational Use Fees	9,500	10,287	10,800	11,200
Mineral Leasing Naval Oil Shale Reserve	1,272	1,954	12,500	16,400
National Petroleum Reserve Alaska	2,302	72,303	5,200	38,100
Earnings on Investments	2,038	2,339	3,953	14,246
Sale of Helium	20,711	87,400	71,042	134,480
Mining Claim & Holding Fees	18,883	27,476	24,619	25,869
Service Charges, Deposits and Forfeitures	17,834	15,882	19,490	24,490
Other Collections	31,538	16,473	35,410	35,610
<b>Total</b>	<b>234,947</b>	<b>554,780</b>	<b>678,176</b>	<b>1,404,587</b>

### 2005 COLLECTIONS

In 2005, the BLM will collect an estimated total of \$1,404,587,000 in revenue. Revenue is collected by BLM from sources such as the sale of land and materials, grazing fees, timber sales, recreation use fees, and various filing fees. These collections assist State and local governments, support the General Fund of the U.S. Treasury, and offset charges for program operations where certain fees collected can be retained by the BLM.

In addition, in 2005 BLM's onshore mineral leasing activities will contribute directly to the generation of \$2.2 billion in receipts (bonuses, rents, and royalties collected by the Minerals Management Service). (These mineral leasing receipts are reflected in the MMS budget.)

Most collections accounted for in BLM's budget are expected to remain fairly flat over the next several years, experiencing only modest increases annually. Others, such as receipts from the sale of public lands; recovery of costs of processing applications for mineral leasing rights-of-way and processing documents related to energy and minerals; earnings on investments; and timber sales, are expected to increase significantly.

The large increase from 2005 compared to 2003 in land sales collections is due to a projected increase of (a) \$715,621,000 from the sale of land under the *Southern Nevada Public Land Management Act of 1998*, and (b) \$34,559,000 from the sale of land under the *Federal Land Transaction Facilitation Act*.

Earnings on investments are projected to be \$14,200,000 in 2005, an increase of \$11,900,000 from 2003 to 2005, because collections from land sale receipts, which BLM is authorized to invest, are expected to increase substantially.

Collections from the recovery of costs for processing rights-of-way on mineral leasing and land applications are projected to increase by \$5,950,000.

Collections from increased timber harvest levels in western Oregon are expected to increase by \$19,185,000 in 2003 and 2005, contingent on the resolution of existing litigation.

**Amounts Not Included** – Payments to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act of 2000*, include receipts produced in those counties, but most of the payments are derived from an appropriation from the General Fund. A total of \$98,809,312 appropriated from the General Fund in 2003 was paid to the western Oregon counties under this authority; because the portion from the General Fund is not a collection, those amounts are not included in the table above. Estimated collections of \$1,404,587,000 in 2005 include \$15,000,000 collected from timber receipts from western Oregon counties that will be applied to the Secure Rural Schools payments in 2005.

**Sales of Public Land** - This category of collections includes receipts from the sale of public land, including land sales in Clark County, Nevada. Excluded from this collection source are the sales of timber and vegetative materials from the public domain land, sale of land and timber and vegetative materials from the Oregon & California Grant Lands and Coos Bay Wagon Road Lands, sale of land from Land Utilization project lands, sale of land and materials from reclaimed lands (reserved or withdrawn), and sale of town sites and reclamation projects.

The main source of collections in the Sale of Public Land category includes:

- **Southern Nevada Public Land Management Act Sales Proceeds** - The *Southern Nevada Public Land Management Act*, as amended, provides a process for orderly sale of certain public lands in Clark County, Nevada, near the city of Las Vegas. Five percent of the proceeds are distributed to the State of Nevada, 10 percent to the Southern Nevada Water Authority, and 85 percent to the special account. The Secretary of the Interior expends the funds in the special account for acquisition of environmentally significant land in the state of Nevada; capital improvements at designated BLM managed areas; development of a multi-species habitat conservation plan; development of parks and trails in Clark County, and other Conservation initiatives in Clark County. The BLM has conducted land sales for three years under the authority of this statute.

The BLM estimates that collections will be \$995,000,000 in 2005. This includes collections from land sales held in 2005 and partial payments for sales held in 2004.

- ***Southern Nevada Public Land Management Act – Interest.*** The SNPLMA authorizes the Secretary to manage the collections account for the purposes set out above, and is also authorized to use interest generated from the above-mentioned funds.
- ***Federal Land Transaction Facilitation Act*** - The *Federal Land Transaction Facilitation Act, Title II* of P.L. 106-248, also allows a limited number of sales of Federal land, with 2004 and 2005 receipts projected to be \$35,000,000 and \$35,550,000 respectively, with one large sale in 2004, generating \$20,500,000. A sale near St. George, Utah planned for 2003 did not take place due to administrative and procedural problems.
- ***Federal Land Transaction Facilitation Act Amendment*** - The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act. Under the Act, BLM is currently limited to selling lands that had been identified for disposal in land use plans that were in effect prior to enactment of FLTFA. However, BLM is involved in a multi-year project to bring all of its land use plans up to date, replacing plans that were in effect when FLTFA was enacted. Additionally, the Act currently limits use of receipts to the purchase of other lands. It does not make funds available for land restoration projects.
- ***Lincoln County Land Sales*** – Several sales were made in 2002, but legal action delayed the completion of the sales through 2003. The BLM estimates that these sales will be completed in 2004 for \$3,600,000, and BLM plans to sell additional acreage in 2005 before expiration of the Lincoln County Act.

***Miscellaneous Filing Fees*** - Collections in this category are primarily from filing fees for applications to non-competitively lease oil and gas. Parcels offered but not leased in competitive sales are available for non-competitive leasing. Also included are fees received for filing or recording documents; charges for registration of individuals, firms, or products; and requests for approval of transfer of leases or permits.

***Mineral Leasing-National Grasslands*** - The MMS assumed responsibility for collection and distribution of most mineral leasing receipts in 1985, however, the BLM administers and collects rentals from rental collections from oil and gas pipeline rights-of-way associated with lands leased under the *Mineral Leasing Act* and the *Mineral Leasing Act for Acquired Lands*. The BLM pays 25 percent of mineral leasing collections on acquired lands to counties where the collections were generated. The BLM continues to collect first-year rentals and initial bonuses from mineral leasing but deposits these receipts directly into MMS accounts.

***Grazing Fees from Public Lands and Land Utilization Project Lands*** - This category includes all grazing fees collected from public lands and Land Utilization Project lands administered by the BLM. It also includes certain receipts from Land Utilization Project lands, such as from mineral leasing. Grazing fees are collected under the authority of the *Taylor Grazing Act*, *Federal Land Policy and Management Act*, and the *Public Rangelands Improvement Act of 1978*.

From 1978 through 1985, public land grazing fees were based on a formula established in *PRIA*. The statutory authority for this formula expired on December 31, 1985. On February 14, 1986, the President issued Executive Order 12548 directing the continued use of the *PRIA* formula to set grazing fees for the public lands.

The grazing fee is updated annually based on index factors, including private land lease rates, beef cattle prices, and the cost of production. Based on the *PRIA* formula, the fee was \$1.43 per Animal Unit Month for the 2002 and \$1.35 for the 2003 grazing year. The fee for the 2004 grazing year is \$1.43 per Animal Unit Month. Grazing fees generally are collected within 30 days of the billing date, which follows publication of the new fee.

Grazing regulations authorize a surcharge to grazing fee bills for authorized grazing of livestock owned by persons other than the permittee or lessee, except where this use is made by livestock owned by children of permittees and lessees. This surcharge is equal to 35 percent of the difference between the 1999 grazing fee and the 1998 private land lease rate for the State where the pasturing agreement occurs. Anticipated grazing receipts reflect estimates of collections based on these fee rates.

Fifty percent of all grazing receipts collected under the *Taylor Grazing Act*, along with 50 percent of all receipts (including mineral receipts) from Land Utilization Project Lands transferred to the BLM by Executive Orders 10787 and 10890, are appropriated to the Range Improvement appropriation. As provided in the *Taylor Grazing Act*, *FLPMA*, and *PRIA*, these funds are available for the construction, purchase, and development of range improvements after they are appropriated by Congress. Appropriations are made from the receipts collected during the previous fiscal year.

#### ***Timber and Vegetative Material Sales -***

- ***Timber Receipts from the Oregon and California and Coos Bay Wagon Road Grant Lands*** - In 2005, the BLM projects it will collect \$32,005,000 in timber receipts from O&C and CBWR lands. This projection is based on historical data, anticipated changes in timber demand, and local timber market conditions. Of this amount, the BLM projects that \$6,125,000 will be collected from salvage timber sales, and the balance collected from non-salvage timber sales. Court injunctions resulting from litigation reduced timber sales for 2002 to 2004. Consequently, the BLM collected less than average timber receipts in 2002 (\$18,100,739) and in 2003 (\$13,487,940). Receipts are projected to increase by 237 percent from 2003 to 2005, due to the fact that the BLM intends to offer 193 million board feet for sale in 2005 from O&C and CBWR grant lands, assuming that litigation is resolved. Of the \$32,005,000 in collections projected for 2005, \$8.0 million is expected to be deposited into the Timber Sale Pipeline Restoration Fund and \$6.0 million into the Forest Ecosystem Health and Recovery Fund (see discussion below). The rest will be used to make payments to western Oregon counties under the authority of the *Secure Rural Schools and Community Self-Determination Act of 2000*.

In 2003, 11 percent of the annual payment to the eighteen O&C counties made under the *Secure Rural Schools and Community Self-Determination Act of 2000* was derived from receipts. The remainder of the payments was derived from the General Fund of the Treasury. The receipt portion comes from any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund. Examples of a trust fund are the Timber Sale Pipeline Restoration and Forest Ecosystem Health and Recovery Funds, which are discussed below. Any shortfall in the amount needed to make the payments is derived from the General Fund of the Treasury. For more information on the Secure Rural Schools payments, see the Miscellaneous Permanent Payments chapter.

- **Timber Receipts from the Public Domain Forest Lands** - In 2005, the BLM expects to offer for sale 36 million board feet of timber products from public domain lands. In 2004 and 2005, the BLM estimates collections of \$2,600,000 in timber sale receipts from public domain lands, \$1,072,000 more than collections in 2003. Collections from salvage timber sales on public domain lands are estimated at \$2,200,000 in both 2004 and 2005, compared to the \$1,116,000 collected in 2003. Ninety-six percent of salvage timber receipts will be deposited into the Forest Ecosystem Health and Recovery Fund, with the remaining four percent being returned to the States in which the sales took place.
- **Timber Sale Pipeline Restoration Fund** - This Fund was established to address, in part, the need for a consistent supply of prepared and available timber, a "timber sale pipeline," in western Oregon. Receipts from the release of timber sales by *Section 2001(k), P.L. 104-134* provided the start-up funding; all receipts from subsequent sales prepared by this Fund are deposited back into the Fund for preparing future sales. In 2005, \$8,000,000 from associated timber sales in western Oregon is expected to be deposited into this Fund.
- **Forest Ecosystem Health and Recovery Fund** - Forest health projects, including salvage timber sales, are prepared using the FEHRF, which was established in 1993 and amended in 1998 to fund forest health projects, including salvage timber sales, reforestation, and thinning of trees to improve stand density. All receipts, minus State shares, from projects prepared using these funds, as well as those from BLM salvage timber sales, are deposited into this Fund for future forest health projects. (Refer to the Permanent Operating Funds section for additional details on the FEHRF). In 2003, BLM collected \$5,484,000 from salvage timber sales from public domain and O&C and Coos Bay grant lands, which was deposited into the FEHRF. In 2004 and 2005, the BLM projects \$6,325,000 and \$8,325,000, respectively will be generated by the sale of salvage timber and other forest products.

**Recreation Use Fees** - Recreation use fees are derived from collecting fees on public lands at recreation sites, issuing recreation use permits, and selling Federal recreation passports such as the Golden Eagle and Golden Age passes. These funds are used to improve recreation facility conditions and user services at recreation sites where the fees were generated. In 2003, recreation fee collections were \$10,301,000. The BLM anticipates collecting \$10,800,000 in 2004 and \$11,200,000 in 2005 under its recreation fee collection authorities.

- The *Omnibus Budget Reconciliation Act of 1993* amended the *Land and Water Conservation Fund Act* and the BLM's authority to collect recreation use fees. Under the *LWCF* and *OBRA 93* authorities, recreation fees collected by the BLM were deposited into a special Treasury account and were available for appropriation in the following fiscal year in the Management of Lands and Resources appropriation. In 1993, *OBRA 93* amended the *LWCF Act* to allow the BLM to retain and spend up to 15 percent of the recreation receipts collected during the current year to offset fee collection costs. The 1993 amendments also broadened the range of recreation sites at which fees could be collected and allowed the BLM to charge entrance fees for National Conservation Areas as well as to collect fees for Federal recreation passports, i.e., Golden Age and Golden Eagle. However, because the recreation fee demonstration authority provides more flexibility in collecting and spending recreation receipts, BLM will collect no recreation receipts under the *LWCF* and *OBRA 93* authorities in 2004 and 2005.
- The *1996 Department of the Interior and Related Agencies Appropriations Act* provided the BLM with additional authority to collect fees under the recreational fee demonstration program. The goals of this program are to foster innovative, creative, and cost-effective methods of collecting recreation use fees, in consultation with recreation site users and local communities. The language in the *1996 Interior Appropriations Act* has been amended several times. That authority currently extends through December 31, 2005. The fees collected under this authority are permanently appropriated and used at the sites where fees were collected to enhance facility conditions and improve visitor services. In 2004, the BLM is operating all recreation sites under the authority of the recreational fee demonstration program, and in 2005 plans to continue operating all recreation sites under the same authority. BLM has consistently recommended that this program be permanently authorized.

**Mineral Leasing Naval Oil Shale Reserve** - These receipts include revenue derived from the bonuses, rents, and royalties from mineral leasing under the *Mineral Leasing Act of 1920* that were collected from the developed lands within the Naval Oil Shale Reserve Numbers 1 and 3 in Colorado since the enactment of the *1998 National Defense Authorization Act*, amended in December, 2002. NOSR areas 1 and 3 were transferred to the BLM management by the *1998 National Defense Authorization Act of 1998*. Amendments to the *National Defense Authorization Act of 1998* appropriated \$1,500,000 in 2003 to perform studies to determine the best way and to estimate the cost to cleanup Naval Oil Shale Reserve Number 3. The act also makes these receipts available for environmental restoration of the NOSR 3 to the extent necessary to do the cleanup. BLM is currently in the process of conducting an Engineering Evaluation and Cost Analysis at NOSR 3. This analysis will address and evaluate a minimum of six different cleanup or removal scenarios at the site, each one having a different cost for removal and cleanup. The final Engineering Evaluation and Cost Analysis is scheduled for completion in March of 2005. The appropriation for the environmental restoration is contingent, however, on the estimate of costs not exceeding the balance of the account at the time a report describing the studies is submitted to the Congress.

Collections are expected to increase from \$2,000,000 in 2003 to \$12,500,000 in 2004 and \$16,400,000 in 2005. These collections consist of rents and royalties. The projected increase is based on a forecast of a significant increase in the development and production of oil and natural gas in NOSR 1 and NOSR 3.

**National Petroleum Reserve-Alaska** - The Minerals Management Service collects all monies from sales; MMS then transfers 100 percent of the collections to the BLM. The BLM is responsible for distributing 50 percent of the collections to the State of Alaska and 50 percent of the collections to the General Fund of the U.S. Treasury. Collections in 2003 included \$67,103,000 from bonuses from a sale of oil and natural gas leases, and \$5,200,000 from rental payments on leases. Collections in 2004, projected at \$5,200,000, include on rents on already-leased tracts. Collections from a sale in 2005 are projected to total \$38,100,000, including \$30,000,000 from bonuses and \$8,100,000 from rents.

**Earnings on Investments**- The *Southern Nevada Public Land Management Act of 1998* and the *Lincoln County Land Act of 2000* allow the investment of the funds held in accounts established by these acts in U.S. government securities. These receipts are invested in special non-marketable U.S. Treasury Securities, including bills, notes, bonds, and one-day certificates, which may be purchased and sold to meet operating needs and legislative requirements. Earnings on investments are expected to increase because of increases in the unobligated balances of the accounts, primarily due to the proceeds of sales of land in southern Nevada.

**Sales of Helium** - This category of receipts includes "in-kind" crude helium sales to Federal helium suppliers and open market sales. The Helium Privatization Act of 1996 requires the Department of the Interior to offer for sale, beginning no later than 2005, a portion of the Conservation Helium stored underground at the Cliffside Field north of Amarillo, Texas. BLM's first sale was held in March 2003 and produced sales of \$86,000,000. Annual sales are planned for 2004 to 2015. Receipts are projected to increase from 2004 to 2005 because of an increase in worldwide helium demand for higher cost sources such as the Federal helium reserve.

**Mining Claim-Related Fees** - The *Department of the Interior and Related Agencies Appropriations Act for 1989* provided that fees established by the Secretary of the Interior for processing actions relating to the administration of the General Mining Laws shall be immediately available to BLM for Mining Law Administration program operations.

Additionally, the *Omnibus Budget Reconciliation Act of 1993* provided that the annual \$100 per claim maintenance fee for unpatented mining claims and sites would continue through 1998. This authority was extended through 2008 in the *2004 Department of the Interior and Related Agencies Appropriations Act*. The law allows a waiver from the fee for those claimants who hold 10 or fewer claims. The Act also established a \$25 per claim location fee for new claims, to be paid at the time of recordation. Funds derived from mining claim maintenance fees are appropriated annually to the BLM for Mining Law Administration program operations. The BLM proposes to increase the maintenance fee to \$126 and the location fee to \$32, beginning in 2005.

**Service Charges, Deposits, and Forfeitures** - These receipts include revenue from providing special program services, such as rights-of-way application processing fees, wild horse and burro adoption fees, fees charged to timber sale purchasers when BLM performs work required by the contract, reimbursement to the government for damage to lands and resources, collections for processing disclaimers of interest applications, and photocopying fees. The collection and retention of each of these receipts are authorized through legislation. The BLM will implement regulations allowing it to increase recovery of costs for processing rights-of-way and energy and minerals documents. Additional information on other collections is included in the Service Charges, Deposits and Forfeitures appropriation section.

**Other Collections** – Other receipts collected by the BLM are from land rentals for authorized commercial, industrial, and residential purposes; annual rentals from rights-of-way permits (except those issued under the authority of the *Mineral Leasing Act*); and from contributions. These consist of funds contributed to the BLM from non-Federal sources for projects or work authorized by the *Federal Land Policy and Management Act*, *Taylor Grazing Act*, *Sikes Act*, and other laws. Additional information on other collections is included in the Miscellaneous Permanent Payments, Permanent Operating Funds, and Miscellaneous Trust Fund chapters.

**2003 PAYMENTS OF BLM RECEIPTS\* TO STATES (\$000)**

State	Mineral Leases and Permits	Grazing Receipts Outside Grazing Districts	Grazing Receipts Inside Grazing Districts	Sale of Public Land and Materials	Other <sup>1</sup>	Total
Alaska <sup>2</sup>	34,556			20		34,576
Arizona	33	84	59	83		259
California	143	56	12	72		283
Colorado <sup>3</sup>	113	31	73	47		264
Idaho	13	19	166	39		237
Montana	17	100	126	34	461	738
Nebraska		1				1
Nevada <sup>4</sup>	8	11	249	34,570		34,838
New Mexico	372	151	215	54	9	801
N. Dakota		7				7
Oklahoma	1					1
Oregon	2	20	135	54	110,558	110,769
S. Dakota	1	74		1		76
Utah	33		129	26		188
Washington		23		1		24
Wyoming <sup>5</sup>	337	328	151	50		866
<b>Total</b>	<b>35,629</b>	<b>905</b>	<b>1,315</b>	<b>35,051</b>	<b>111,028</b>	<b>183,928</b>

\*The amounts reported include an appropriation of \$110,558,000 from the General Fund for P.L. 106-393 payments to Oregon counties even though the appropriation is not a collection from a non-Federal source so that the table shows the full amount of the payments.

<sup>1</sup>Other payments include receipts paid under P.L. 106-393, Secure Rural Schools Self Determination Act. The timing of the payments for both Oregon & California and Coos Bay Wagon Road Grant lands was changed from "on or before September 30" to "as soon as practicable after the end of the fiscal year." Therefore, the payments for 2002 were actually paid in Fiscal Year 2003 and are included in this table. P.L. 106-393 provides that payments come first from BLM receipts produced in those counties, and then General Fund appropriations shall be used to cover any shortfall. The 2003 payment is made up from \$11,748,399 in receipts and \$98,809,312 from the General Fund. The amount includes \$8,448,787 in funds for Title II projects returned to BLM for county projects.

<sup>2</sup>Receipts for Alaska National Petroleum Reserve in 2003 of \$72,303,107.

<sup>3</sup>Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources.

<sup>4</sup>Payments to Clark County, NV, and to the State of NV from land sales under the Burton-Santini Act, paid in 2003 for 2002 were \$0. Payments to the State of Nevada and the Southern Nevada Water Authority under the Southern Nevada Public Land Management Act were \$34,409,641.

<sup>5</sup>Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources.

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